

Minutes of the meeting of the Finance Committee of the Board of Directors of the Cook County Health and Hospitals System held Thursday, October 15, 2009 at the hour of 7:30 A.M. at John H. Stroger, Jr. Hospital of Cook County, 1901 W. Harrison Street, in the fifth floor conference room, Chicago, Illinois.

## **I. Attendance/Call to Order**

Chairman Carvalho called the meeting to order at 7:40 A.M., however a quorum was not present at that time, so the Committee received information until a quorum was present. A quorum was reached at approximately 7:50 A.M., and the Committee proceeded to take action on the items presented.

Present: Chairman David Carvalho and Directors Quin R. Golden and Luis Muñoz, MD, MPH (3)

Board Chairman Warren L. Batts (Ex-Officio)

Absent: Directors Heather O'Donnell, JD, LLM and Jorge Ramirez (2)

Additional attendees and/or presenters were:

Michael Ayres  
Cathy Bodnar  
Leslie Duffy  
William T. Foley  
Sara Hynes

Jeanene Johnson  
Dorothy Loving  
Elizabeth Melas  
John Morales  
John Raba, MD

Elizabeth Reidy  
Deborah Santana  
Anthony J. Tedeschi, MD,  
MPH, MBA

## **II. Public Speakers**

Chairman Carvalho asked the Secretary to call upon the registered speakers.

The Secretary called upon the following registered public speaker:

1. George Blakemore      Concerned Citizen

## **III. Report from System Chief Financial Officer**

Michael Ayres, System Chief Financial Officer, presented a report on the following subjects:

- Update on Accounts Payable

Mr. Ayres stated that he had a report which suggested that as of a year ago, it took approximately eighty-five days for an invoice to go from the System to the County to be processed. Through the consolidation of the System's payables function, control of the approvals and consolidation of the Finance Departments, they are now down to fifteen days.

Chairman Carvalho asked for further information relating to the length of time it takes for the vendor to receive payment. John Morales, Chief Financial Officer of John H. Stroger, Jr. Hospital of Cook County, provided procedural information relating to the County's expedited process with System payables, which was implemented during his tenure as County Comptroller.

### **III. Report from System Chief Financial Officer (continued)**

- **Management and Tracking of Vendors**

Mr. Ayres and Jeanene Johnson, System Director of Performance Improvement, provided an update on management and tracking of vendors (Attachment #1). These efforts include the following: identifying the initiatives, measuring the involvement of the staff, determining where they are in the work processes, and determining if the vendors are achieving the System's desired results. He stated that they have been working on the development of a method to understand and control these activities very quickly and efficiently. Also being developed is a mechanism so this information can flow upward to the different constituencies; currently, they have developed a methodology for the higher-level reviews that lead to the grind-downs into the heart of the project.

Director Muñoz noted that staff needs to be part of the information flow so their activities can be adjusted accordingly; this will drive cultural change.

#### **A. Update on MedAssets/Chamberlin Edmonds & Associates, Inc.**

Director Golden, seconded by Director Muñoz, moved to recess the regular session and convene into closed session, pursuant to the following exceptions to the Illinois Open Meetings Act: 5 ILCS 120/2(c)(1), which permits closed meetings for consideration of "the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity," and 5 ILCS 120/2(c)(11), regarding "litigation, when an action against, affecting or on behalf of the particular body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting."

On the motion to recess the regular session and convene into closed session, a roll call was taken, the votes of yeas and nays being as follows:

Yeas: Chairman Carvalho and Directors Golden and Muñoz (3)

Nays: None

Absent: Directors O'Donnell and Ramirez (2)

THE MOTION CARRIED UNANIMOUSLY and the Committee convened into closed session.

Chairman Carvalho declared that the closed session was adjourned. The Committee reconvened into regular session.

#### **B. Update on FY2010 Budget**

There was no update provided at this meeting.

#### **IV. Recommendations, Discussion/Information Items**

##### **A. Minutes of the Finance Committee Meeting, September 29, 2009**

Director Golden, seconded by Director Muñoz, moved to accept the minutes of the Finance Committee Meeting of September 29, 2009. THE MOTION CARRIED UNANIMOUSLY.

##### **B. Presentation of Year-to-Date Financials through July 2009**

Dorothy Loving, Executive Director of Finance, presented the Year-to-Date Financials through July 2009 (Attachment #2). With regard to total operating revenue, she noted that the System is \$109,845,987 ahead of budget. However, she stated that there is an unfavorable variance in patient service revenue; this is due to the change in the daily rates that the System receives from Medicaid, the take-back of \$50 million that is affecting the inpatient hospital revenue, and the change in the calculation of intergovernmental transfer (IGT).

Chairman Carvalho noted that the FY2009 Budget that was adopted did not anticipate the changes that were eventually negotiated for the IGT, so a year-to-date actual to budget comparison does not provide an accurate picture. A better measure of performance needs to be developed. Ms. Johnson stated that they are developing key performance indicators based on volume and key statistics; this information can be compared to financials.

With regard to the unfavorable variance in non-operating revenue, Ms. Loving noted that the biggest piece of it comes from the sales tax. In response to a question from Chairman Carvalho, Mr. Morales provided information on the County's methodology for allocation of sales tax revenue.

Director Golden requested additional information on the payer mix and why the Medicaid payer mix has changed. Ms. Loving responded that the change is due to combination of factors; examples were provided. Chairman Carvalho stated that in the past, the Medicaid rate for the different operating units was the same. However, going forward, the rates will be different; information provided on the different operating units will be more meaningful as a result.

With regard to the information provided on salaries and wages, Chairman Carvalho inquired whether a better measure or methodology could be provided. Ms. Loving responded that when the Lawson system is up and running, it will be accrual-based and more accurate.

Additional discussion took place on the type of information that should flow to the medical staff on a regular basis. Mr. Foley stated that he expects information that includes volumes by department and across various service lines to be provided on a timely basis. Mr. Ayres stated that the medical staff are interested in data on volume and payer mix, whether the System is charging and collecting for their services, and information on their own productivity and performance. Director Muñoz added that they need information on their budgets. Dr. Anthony Tedeschi, System Interim Chief Operating Officer, noted that the physicians are service-line focused in terms of profitability, and stated that they are interested in information related to nurse staffing and collections.

**V. Action Items**

**A. Contracts and Procurement Items (Attachment #3)**

Elizabeth Melas, of the County's Office of Capital Planning and Policy, provided information on the two contractual requests presented.

Director Golden, seconded by Director Muñoz, moved the approval of the Contracts and Procurement Items. THE MOTION CARRIED UNANIMOUSLY.

**B. Any items listed under Sections IV and V**

**C. Miscellaneous**

- 2010 Finance Committee meeting dates

Board Chairman Batts inquired whether the Committee would need to continue to meet every other week in 2010. After the Committee discussed the subject, it was determined that the Finance Committee would meet once a month in 2010.

- Follow-up item

Director Golden requested that the Committee, in the near future, hold a discussion on the subject of financial modeling for the Strategic Plan. Mr. Foley responded that there would be an item on the next Finance Committee agenda on the subject.

**VI. Adjourn**

Director Golden, seconded by Director Muñoz, moved to adjourn. THE MOTION CARRIED UNANIMOUSLY and the meeting adjourned.

Respectfully submitted,  
Finance Committee of the  
Board of Directors of the  
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXX  
David Carvalho, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXX  
Deborah Santana, Secretary

Cook County Health and Hospitals System  
Minutes of the Finance Committee Meeting  
October 15, 2009

ATTACHMENT #1



**Cook County Health & Hospitals System**

# **Executive Steering Committee Update MedAssets Revenue Cycle Transformation 10/13/2009**

# Agenda

- Project Objectives
- Project Scope
- Benefit Summary
- Timeline and Key Milestones
- Project Organization
- Project Status
- Key Performance Indicators
- Initiatives for Approval
- Issues
- Communication Strategies and Activities
- Recent Success & Upcoming Activities



# Project Scope

This transformation impacts the entire revenue cycle through implementation of solutions in each area improving overall business performance

	Patient Access	Case Management	Financial Counseling	Revenue Integrity	Health Information Management	Patient Financial Services
Solutions/Projects	Implement a standardized referrals process	Develop & implement with CCHHS a clinical documentation improvement initiative	Implement a single vendor financial counseling solution	Develop & implement a System standard Charge Description Master (CDM)	Develop & implement departmental credentialing standards requiring coding certification	Implement centralized billing office (CBO)
	Develop & implement centralized scheduling	Implement payer required utilization review for all affected cases	Develop & implement an indigent health care plan (CareLink)	Develop & implement a charge master maintenance process	Develop & implement training and performance management process	Develop & implement standardized financial reporting/KPIs of Accounts Receivable
	Develop & implement pre-registration and insurance verification process	Purchase & implement InterQual and Milliman case management standard utilization review criteria	Implement system wide self pay inpatient and observation financial screening process	Develop & implement standardized electronic charge capture tools and methodologies	Monitor & manage to achieve reduction in DNFB and outpatient exception holds	Develop & implement a standardized billing process resulting in timely and accurate billing
	Develop & implement training and performance management process	Develop & implement a case management department to include utilization review, discharge planning, and clinical denials management	Implement system wide self pay outpatient financial screening process including designated walk up centers	Develop & implement a charge audit function	Implement a single vendor transcription service solution for improved quality and turn around time	Develop & implement training and performance management process for receivables management
	Develop & implement a patient discharge process			Develop & implement a charge reconciliation process		Implement standardized cash posting and reconciliation processes





# Benefit Summary

Through 14 months, the project has realized more than \$52M in implemented benefit

The original estimates were based on previous Medicaid per diem rates

The revised estimate is based on new Medicaid per diem rates effective year 2

Year	Project Description	Original Estimate (Low)	Original Estimates (High)	Revised Estimates	Implemented Benefit
1	RC Transformation	18,090,000	20,100,000	20,100,000	33,915,443
2	RC Transformation	29,970,00	33,300,000	16,650,000	18,666,882 <sup>(1)</sup>
3	RC Transformation	23,940,000	26,600,000	13,300,000	
<b>TOTAL</b>		<b>\$72,000,000</b>	<b>\$ 80,000,000</b>	<b>\$50,050,000</b>	<b>\$52,582,325</b>

Note: (1) Year 2 Implemented Benefit results as of EOM 7/09  
Source: Monthly Cash Reports and Medicaid Reimbursement Vouchers



Cook County Health & Hospitals System

# Timeline and Key Milestones

Projects	Owner	Start Date	End Date	2008	2009	2010	2011
Cash acceleration	All	6/16/2008	11/30/2008	■			
Process Assessment & Implementation Planning	All	6/16/2008	5/31/2009	■	■		
<b>Patient Access Solutions</b>	<b>Judi Kieltyka</b>	<b>6/1/2009</b>	<b>4/1/2011</b>		■	■	■
Develop & implement pre-registration and insurance verification process	Judi Kieltyka	6/1/2009	5/3/2010		■	■	
Develop & implement training and performance management process	Judi Kieltyka	6/1/2009	4/1/2011		■	■	■
Develop & implement a patient discharge process	Judi Kieltyka	11/2/2009	5/21/2010		■	■	
Implement a standardized referrals process	Judi Kieltyka	8/3/2009	7/16/2010		■	■	
Develop & implement centralized scheduling	Judi Kieltyka	5/4/2010	1/6/2011			■	



# Timeline and Key Milestones (cont.)

Projects	Owner	Start Date	End Date	2008	2009	2010	2011
<b>Case Management Solutions</b>	<b>Michael Ayres, Anthony Tedeschi, Kathy Hunter</b>	<b>8/1/2009</b>	<b>11/30/2010</b>				
Develop & implement with CCHHS a clinical documentation improvement initiative	Michael Ayres, Anthony Tedeschi, MedAssets	12/1/2009	11/30/2010				
Implement payer required utilization review for all affected cases	Kathy Hunter	8/1/2009	11/30/2009				
Purchase & implement InterQual and Milliman case management standard utilization review criteria	Kathy Hunter	9/1/2009	2/28/2010				
Develop & implement a case management department to include utilization review, discharge planning, and clinical denials management	Michael Ayres, Kathy Hunter	12/1/2009	11/30/2010				



# Timeline and Key Milestones (cont.)

Projects	Owner	Start Date	End Date	2008	2009	2010	2011
<b>Financial Counseling</b>	<b>Ernest De La Cruz, Chamberlin Edmonds</b>	<b>6/16/2008</b>	<b>5/1/2010</b>				
Implement a single vendor financial counseling solution	Ernest De La Cruz, Chamberlin Edmonds	6/16/2008	5/1/2010				
Develop & implement an indigent health care plan (CareLink)	Ernest De La Cruz, Chamberlin Edmonds	6/16/2008	3/1/2010				
Implement system wide self pay inpatient and observation financial screening process	Ernest De La Cruz, Chamberlin Edmonds	6/16/2008	10/31/2009				
Implement system wide self pay outpatient financial screening process including designated walk up centers	Ernest De La Cruz, Chamberlin Edmonds	6/16/2008	5/1/2010				



# Timeline and Key Milestones (cont.)

Projects	Owner	Start Date	End Date	2008	2009	2010	2011
<b>Revenue Integrity Solutions</b>	<b>Kathleen Izzano</b>	<b>6/1/2009</b>	<b>12/31/2010</b>				
Develop & implement a System standard Charge Description Master (CDM)	Kathleen Izzano	6/1/2009	3/31/2010				
Develop & implement a charge master maintenance process	Kathleen Izzano	7/16/2009	1/29/2010				
Develop & implement standardized electronic charge capture tools and methodologies	Kathleen Izzano	6/1/2009	7/30/2010				
Develop & implement a charge audit function	Kathleen Izzano	11/2/2009	11/30/2010				
Develop & implement a charge reconciliation process	Kathleen Izzano	6/1/2009	12/31/2010				



# Timeline and Key Milestones (cont.)

Projects	Owner	Start Date	End Date	2008	2009	2010	2011
<b>Health Information Management Solutions</b>	<b>Ingrid Dieudonne</b>	<b>2/1/2009</b>	<b>7/29/2011</b>				
Develop & implement departmental credentialing standards requiring coding certification	Ingrid Dieudonne	2/1/2009	7/30/2010				
Develop & implement training and performance management process	Ingrid Dieudonne	2/1/2009	7/29/2011				
Monitor & manage to achieve reduction in DNFB and outpatient exception holds	Ingrid Dieudonne	6/1/2009	2/28/2011				
Implement a single vendor transcription service solution for improved quality and turn around time	Ingrid Dieudonne	6/1/2009	2/26/2010				



# Timeline and Key Milestones (cont.)

Projects	Owner	Start Date	End Date	2008	2009	2010	2011
<b>Patient Financial Services Solutions</b>	<b>Steve Pueschel</b>	<b>10/24/2008</b>	<b>3/11/2011</b>				
Implement centralized billing office (CBO)	Steve Pueschel	10/24/2008	9/20/2010				
Develop & implement standardized financial reporting/KPIs of Accounts Receivable	Steve Pueschel	9/21/2009	1/15/2010				
Develop & implement a standardized billing process resulting in timely and accurate billing	Steve Pueschel	9/9/2009	3/11/2011				
Develop & implement training and performance management process for receivables management	Steve Pueschel	9/24/2009	11/2/2010				
Implement standardized cash posting and reconciliation processes	Steve Pueschel	1/11/2010	7/30/2010				
<b>Project Transition</b>	<b>All</b>	<b>9/1/2010</b>	<b>6/1/2011</b>				
Develop transition plan and monitor Key Performance Indicators	All	9/1/2010	6/1/2011				



# Timeline and Key Milestones

	2008				2009				2010			
Activities	1	2	3	4	1	2	3	4	1	2	3	4
Diagnostic by MedAssets		05/08	08/08									
Plan Development			09/08	11/08								
Plan Approved by Board				X								
Remit Rate Resolution				11/08			07/09					
Implementation Planning					03/09		07/09					
Contract Negotiation / Pre-Implementation Activities							08/09	09/09				
Contract Approved							X					
Implementation Phase I								10/09	01/10			
Implementation Phase II									01/10	03/10		
Implementation Phase III										03/10	05/10	
Implementation Phase IV											05/10	07/10





# Project Status

	Project	Scheduled Completion	% Complete	Comments
Patient Access Solutions	Implement a standardized referrals process	7/16/2010	2%	Preliminary meetings held to assess Iris functionalities; Recommendation needed for IT Steering committee
	Develop & implement centralized scheduling	1/6/2011	0%	Preliminary recommendation to standardize Cerner scheduling
	Develop & implement pre-registration and insurance verification process	5/3/2010	25%	10/26 training class 1 starts; last training to start in April after full CEA implementation
	Develop & implement training and performance management process	4/1/2011	25%	Provident training complete; Quality metrics in ED and Provident
	Develop & implement a patient discharge process	5/21/2010	0%	Pending staff redeployment



# Project Status (cont.)

	Project	Scheduled Completion	% Complete	Comments
Case Management Solutions	Develop & implement with CCHHS a clinical documentation improvement initiative	11/30/2010	0%	
	Implement payer required utilization review for all affected cases	11/30/2009	60%	Hired permanent and augmented staff
	Purchase & implement InterQual and Milliman case management standard utilization review criteria	2/28/2010	5%	Pending purchase approval
	Develop & implement a case management department to include utilization review, discharge planning, and clinical denials management	11/30/2010	10%	Review detailed plan including staffing with CFO



# Project Status (cont.)

	Project	Scheduled Completion	% Complete	Comments
Financial Counseling	Implement a single vendor financial counseling solution	5/1/2010	30%	Sole vendor selected to be Chamberlin Edmonds and contract approved on 9/18/2009. Inpatient self-pay financial counseling initiated on 10/1/2009 at all three facilities. Outpatient financial counseling scheduled to be implemented to coincide with the implementation of CareLink. Both currently in on hold pending CCHHS and board approval of the proposed CareLink program.
	Develop & implement an indigent health care plan (CareLink)	3/1/2010	25%	Indigent healthcare plan intended to replace the Limit of Liability program currently in use at CCHHS has been developed and about 75% complete, however although the proposed program was approved by the board on 8/7/2009, some of the programs requirements have now come into question by the physicians and back under review by the board. Implementation of outpatient financial counseling and the CareLink program cannot move forward until the policy is approved, changes incorporated, policy revised, and internal and external communication takes place.



# Project Status (cont.)

	Project	Scheduled Completion	% Complete	Comments
Financial Counseling	Implement system wide self pay inpatient and observation financial screening process	10/31/2009	80%	Inpatient and observation self-pay financial screening processes have been implemented at all three facilities utilizing a manual process. Awaiting the implementation of Access Direct in order to switch over to a real-time referral process across the system. Also working with CCHHS' information technology department to setup electronic file transfers between Chamberlin Edmonds and CCHHS.
	Implement system wide self pay outpatient financial screening process including designated walk up centers	5/1/2010	10%	Pending staff and office space re-allocation



# Project Status (cont.)

	Project	Scheduled Completion	% Complete	Comments
Revenue Integrity Solutions	Develop & implement a System standard Charge Description Master (CDM)	3/31/2010	25%	Resources requested from Administration to address the revision of Cerner order entry and the implementation of a clean corporate standard CDM in SMS; Clinical departmental interviews are in process to validate services against the corporate standard CDM
	Develop & implement a charge master maintenance process	1/29/2010	40%	Policy and procedure for Charge Master requests, revisions and deletions in draft format; next steps includes approval by Revenue Cycle Steering Committee
	Develop & implement standardized electronic charge capture tools and methodologies	7/30/2010	5%	Presentation of the recent Cerner upgrade charge entry functionality requested by IT; pending final cost by IT for CFO approval
	Develop & implement a charge audit function	11/30/2010	0%	
	Develop & implement a charge réconciliation process	12/31/2010	0%	



# Project Status (cont.)

	Project	Scheduled Completion	% Complete	Comments
Health Information Management Solutions	Develop & implement departmental credentialing standards requiring coding certification	7/30/2010	30%	Presented and received approval from Administration on the plan, with the associated costs, to get all coders credentialed. Currently working with the Union on the execution of the plan.
	Develop & implement training and performance management process	7/29/2011	25%	Presented and received approval from Administration on the training and performance management plan, with the associated costs. Currently working with the Union on the execution of the plan.
	Monitor & manage to achieve reduction in DNFB and outpatient exception holds	2/28/2011	30%	Revising current processes in area
	Implement a single vendor transcription service solution for improved quality and turn around time	2/26/2010	50%	Presented and received approval from Administration on outsourcing plan. Gave required notice to Union. Currently meeting with Union on transition process.



# Project Status (cont.)

	Project	Scheduled Completion	% Complete	Comments
Patient Financial Services Solutions	Implement centralized billing office (CBO)	9/20/2010	8%	Office renovation has started. Staffing levels and descriptions are being developed. Required policies have been identified. Code and Plan Standardization has begun. Staff skill set assessments are in progress.
	Develop & implement standardized financial reporting/KPIs of Accounts Receivable	1/15/2010	14%	Cash reporting has begun. DNFB and bill hold trending is being developed. Data for Total AR reporting is being evaluated.
	Develop & implement a standardized billing process resulting in timely and accurate billing	3/11/2011	1%	Bill holds, claim rejections and manual holds are being reviewed and trended.
	Develop & implement training and performance management process for receivables management	11/2/2010	13%	Policy matrixes, staff development needs and process flow development have begun.
	Implement standardized cash posting and reconciliation processes	7/30/2010	0%	Code standardization is being developed for approval.



# Key Performance Indicators

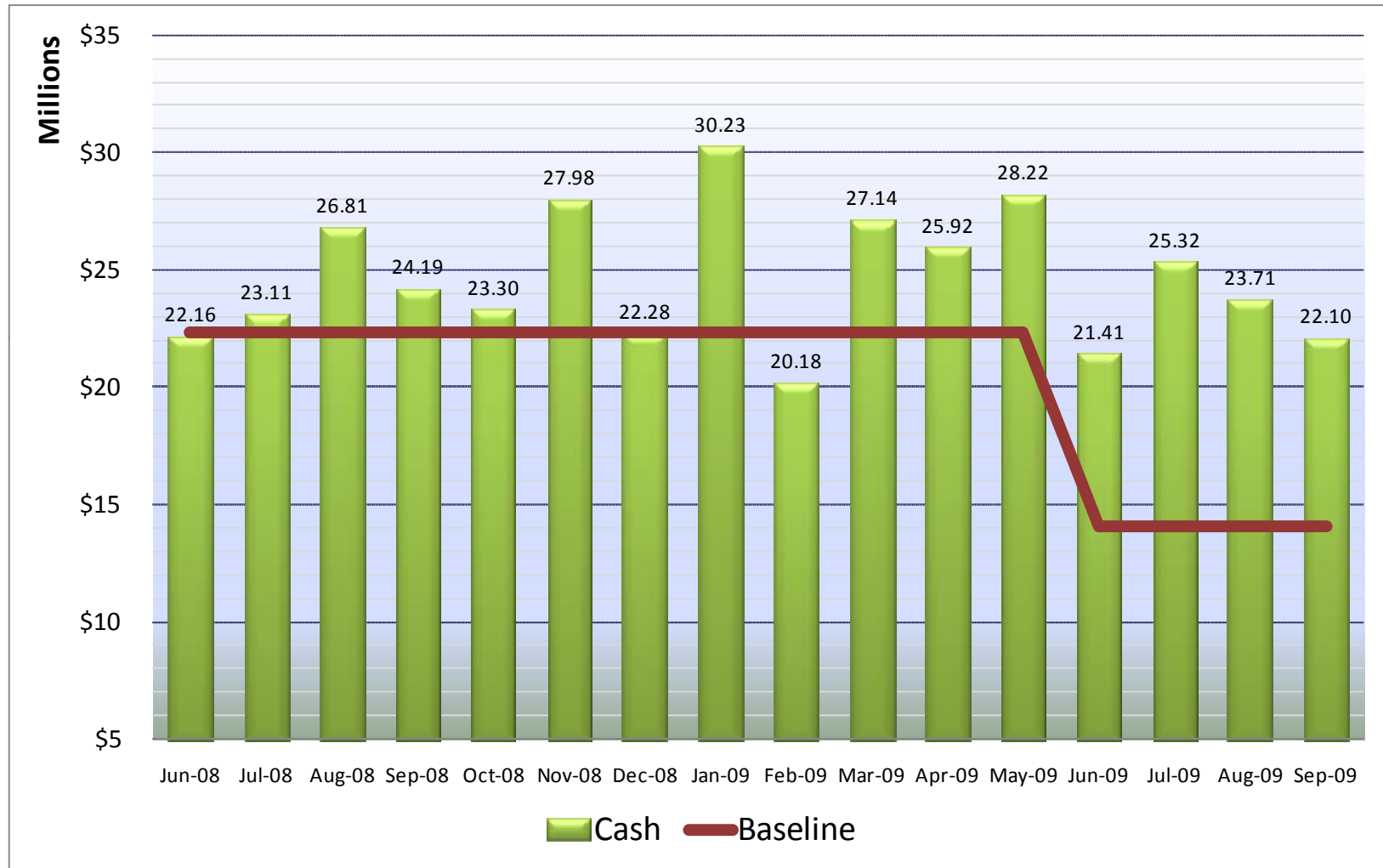
Metric	Source	Reporting Frequency	Status	Start Date
Claims Submission \$	NEBO	Monthly	Trended	6/30/2008
Cash Collections	Site Financial Report	Daily/Monthly	Trended	6/30/2008
Cash Benefit	Site Financial Report	Monthly	Trended	6/30/2008
Total A/R	Month End Siemens	Daily	Trended	12/8/2008
DNFB	Month End Siemens	Daily/Monthly	Trended	10/31/2008
Days in AR	Month End Siemens	Daily/Monthly	Trended	11/30/2008
A/R 90 days>	Month End Siemens	Monthly	Future	11/1/2009
A/R Aging by Financial Class	Month End Siemens	Monthly	Future	11/1/2009
Medicaid Approval Rate	Vendor Reports	Monthly	Future	11/1/2009
Clean Claims Rate	NEBO	Weekly	Future	11/1/2009
Credit Balances	Month End Siemens	Daily	Future	11/1/2009
Registration Quality	TBD	Monthly	Future	11/1/2009
Outpatient Exceptions	Month End Siemens	Daily/Monthly	Future	12/1/2009
Denials	Various / TBD	Monthly	Future	12/1/2009
Chart to Charge Audit	Cerner / Siemens	Quarterly	Future	12/1/2009

System



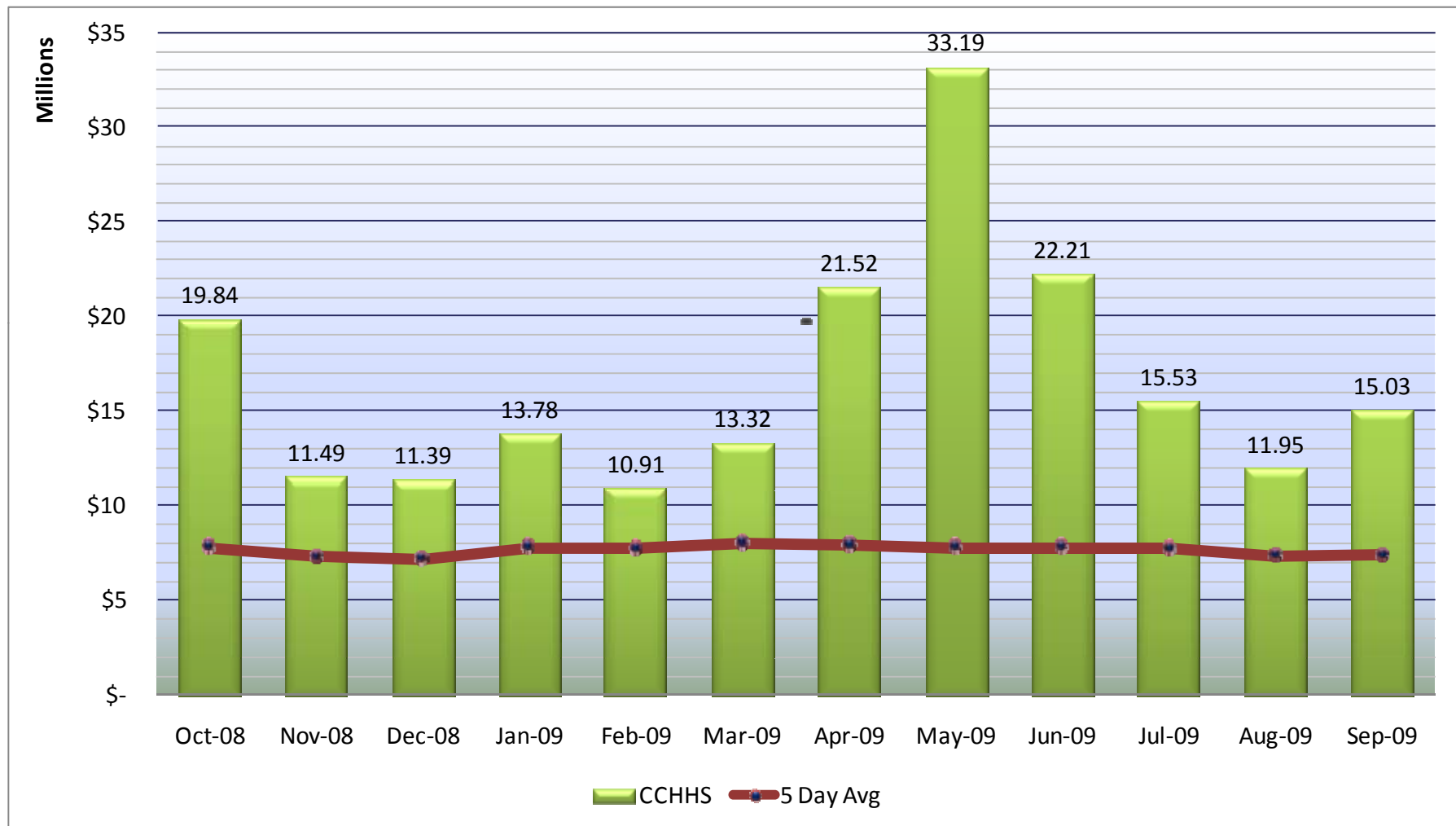


# Monthly Implemented Benefit vs. Baseline



Cook County Health & Hospitals System

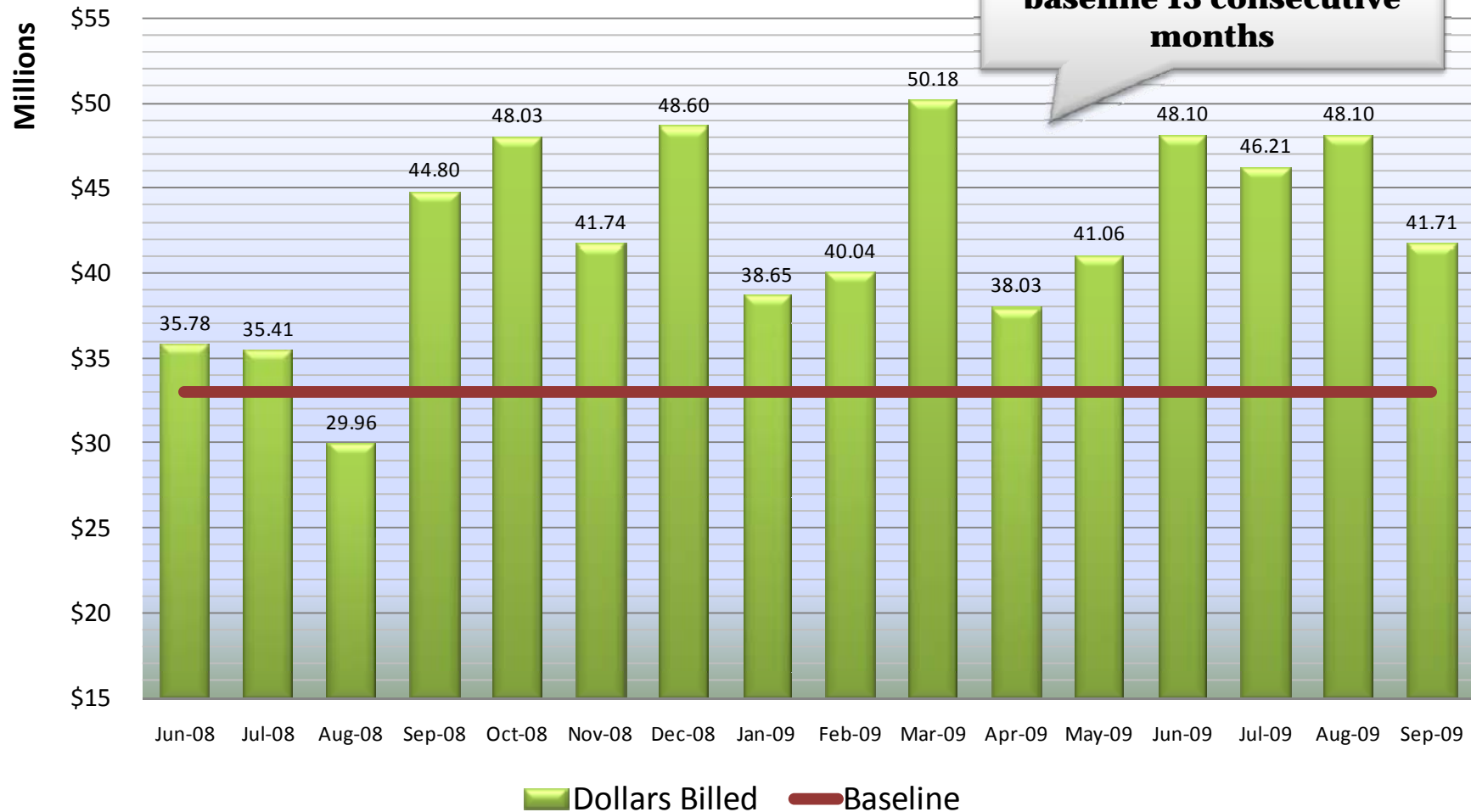
# Discharged Not Final Billed



Cook County Health & Hospitals System

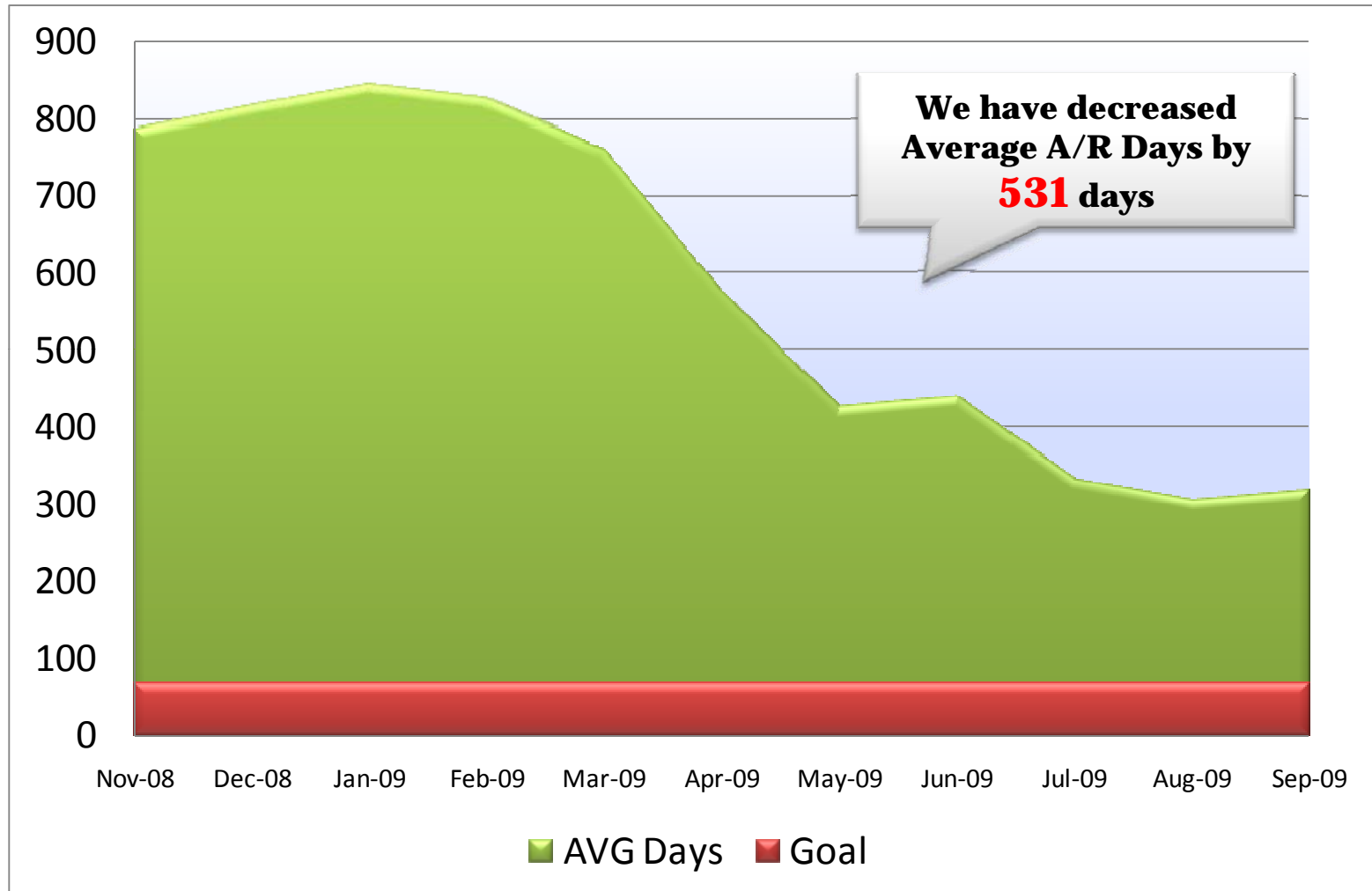
# Total Dollars Billed

**We have exceeded  
baseline 13 consecutive  
months**



**Cook County Health & Hospitals System**

# Average A/R Days



# Initiative for Approval







<b>Team</b>	Revenue Integrity
<b>Initiative</b>	Implement a system standard CDM and related electronic provider charge capture tools
<b>Business Case &amp; Benefits</b>	By implementing a comprehensive standard CDM, CCHHS will have the ability to not only track productivity but will be able to submit claims to all payers with appropriately identified services resulting in more revenue.
<b>Income or Savings</b>	TBD
<b>Implementation Next Steps</b>	<ol style="list-style-type: none"> <li>1) Develop standardized CDM numbering sequence</li> <li>2) Build all possible charge items into one System standard SMS CDM and organize to facilitate reporting and maintenance</li> <li>3) Map all Cerner orderable items, flag as chargeable where applicable, and add pricing</li> </ol>
<b>Potential Barriers to Implementation</b>	Funding
<b>Champion</b>	Michael Ayres



# Project Issues

	Issue Description	Project(s) Impacted	Date Opened/ Closed	Actions
<b>Oak Forest Centralized Business Units</b>	<ul style="list-style-type: none"> <li>Space identified and not built</li> </ul>	<ul style="list-style-type: none"> <li>Pre-visit Services</li> <li>Central Business Office</li> </ul>	<ul style="list-style-type: none"> <li>2/1/2009</li> </ul>	<ul style="list-style-type: none"> <li>Secured executive sponsorship of Michael Ayres and Anthony Tedeschi</li> <li>Construction underway, CBO construction contracts going before the board in October</li> </ul>
<b>Physician feedback on CareLink policy</b>	<ul style="list-style-type: none"> <li>Board approved policy; implementation pending physician feedback</li> </ul>	<ul style="list-style-type: none"> <li>Financial Counseling</li> <li>Pre-visit Services</li> </ul>	<ul style="list-style-type: none"> <li>6/1/2009</li> </ul>	<ul style="list-style-type: none"> <li>Meet with physicians and collected list of recommendations</li> <li>Present recommendations to Revenue Cycle Steering Committee by 10/19</li> </ul>
<b>Decision on InterQual and Milliman purchase</b>	<ul style="list-style-type: none"> <li>Case management implementation requires InterQual and Milliman clinical criteria</li> </ul>	<ul style="list-style-type: none"> <li>Case Management</li> </ul>	<ul style="list-style-type: none"> <li>9/10/2009</li> </ul>	<ul style="list-style-type: none"> <li>Provided pricing to CFO for approval</li> </ul>
<b>CDM</b>	<ul style="list-style-type: none"> <li>CDM standardization delayed pending technology solutions and associated costs</li> </ul>	<ul style="list-style-type: none"> <li>Charge Capture</li> <li>Billing</li> </ul>	<ul style="list-style-type: none"> <li>9/15/2009</li> </ul>	<ul style="list-style-type: none"> <li>Working with CFO and CIO to finalize detailed plan and final costs</li> </ul>



Area/Key Questions	Rating	Observations/Findings	Responsible/Owner
<b>1.1 Hardware /Software Delivery/Installation</b> <ul style="list-style-type: none"> <li>•Have software releases been delivered on-time as promised?</li> <li>•Are there any critical software releases that are necessary for go-live?</li> <li>•Has installation of new software been an issue?</li> <li>•Are there any expected areas of rework as a result of future software releases?</li> </ul>	   <b>Caution</b>	<p>Hardware status:</p> <ul style="list-style-type: none"> <li>•The Production Application server, the Production database server, and the Production Web Server are properly connected and attached to the SAN network. Four additional servers have been ordered</li> <li>•CC-One IT group and the Manila ACS group have been provided VPN access to the CCHHS hardware located in Dearborn.</li> <li>•Wan connectivity has also been provided with internet access for all required ACS IT team members. T1 connectivity has been provided and tested (1 additional T1 line to be set by Verizon)</li> <li>•To save time, 6 generic VPN instances have been created to allow Lawson to implement their product (Lawson01, Lawson02, etc)</li> </ul> <p>Lawson software status:</p> <ul style="list-style-type: none"> <li>•All ordered Lawson software has been received and will be loaded 9/1 – 10/12. The installation completion date is dependent on various items such as SMTP setup</li> <li>•Hardware / software setup is being tracked as a project risk due to the dependencies on multiple groups.</li> </ul>	Steven Locke
<b>1.2 System and Process Design</b> <ul style="list-style-type: none"> <li>•Are system and process design on schedule in accordance with work plan?</li> </ul>	   <b>Caution</b>	<p>All teams are proceeding with CCHHS core team meetings, completing discovery, documenting issues, identifying risks and developing assumptions.</p> <ul style="list-style-type: none"> <li>•Finance GL – DRAFT complete Chart of Accounts structure has been loaded in the ACS Lawson Sandbox for review by the CCHHS Team members.</li> <li>•Finance GL – DRAFT Security roles have been developed for the CCHHS Team members to review.</li> <li>•HR/PAY – On schedule with requirements gathering. Delays are being experienced with obtaining HR legacy data from the County. Further delays will impact solution design.</li> <li>•SCM – On schedule with requirements gathering. Delays are being experienced with obtaining legacy data from the County. Further delays will impact solution design</li> <li>•Discussing pro's and con's of using LAUA Security versus the LS9 Security</li> </ul>	Michael Ayres



# Communication Strategies

Communication	Purpose	Who Should Attend	Frequency/ Day-Time
Executive Steering Committee	A monthly review of the overall program's progress to date, review of the overall project plan, deliver guidance for the overall program direction, provide additional resources where necessary, and assist in removing any barriers to success.	System Administrative Leaders	Monthly Schedule Published
Revenue Cycle Steering Committee	A bi-weekly meeting with the senior leadership team and the Transition Core Team to discuss the project progress to date, the tasks planned for the coming week(s), issues to be addressed, and decisions to be made.	System CFO, Facility Senior Leadership, IT, Physician Sponsors	Bi-Weekly Schedule to be published
Revenue Cycle Sub-Committees	A weekly meeting with the Practice Core Teams to discuss the project tasks completed in the prior week, plans for completing tasks in the coming week, review progress against overall project plan, resource dedication needs, and issues/risks with suggesting mitigation strategies.	System Revenue Cycle Leadership, Revenue Cycle staff, Supporting Leaders as identified	Weekly Schedule to be published
Staff Updates	MDAS will ensure no less than weekly updates are provided to staff on key items, resolution/updates on staff-related questions, and progress of transition. Forums will include weekly manager session, weekly staff meetings, and soon to be implemented newsletter updates on the intranet.	Managers and staff	Weekly Schedule to be published





# Recent Success

- Revenue Integrity – Standard ED charge capture encounter form including both facility and physician level charging in production at Provident June 2009
- Revenue Integrity – Hemodialysis Cerner powerform in production October 1, 2009 resulting in automated exchange of required clinical information for Medicare claims
- Trauma ED - Transfer registration function to ED Registrars and implemented standard charge capture encounter form October 7, 2009



# Initiative for Approval – Previously Approved

<b>Team</b>	Patient Access
<b>Initiative</b>	Implement a Centralized Pre-Visit Services Unit that is responsible for Pre-registration and Insurance Verification
<b>Business Case &amp; Benefits</b>	This unit, responsible for obtaining Financial Clearance for scheduled and unscheduled visits, will assure accurate collection of demographic and insurance information which allows payer requirements to be met and patient liabilities to be calculated and collected.
<b>Income or Savings</b>	
<b>Implementation Next Steps</b>	<ol style="list-style-type: none"> <li>1) Complete space build out at Oak Forest (11/1/09)</li> <li>2) Train IP MANG workers for new positions (10/26/09)</li> <li>3) Go-Live with Pre-Visit Services Unit (11/09/09)</li> <li>4) Train additional LOL/MANG workers as CEA implementation continues, continue implementation of Unit</li> </ol>
<b>Potential Barriers to Implementation</b>	Challenges to hire middle-management team required to support and lead team of 65 FTE's that work Mon- Fri 8 am – 8 pm and 9 – 5 on Saturday
<b>Champion</b>	Michael Ayres



# Initiative for Approval

<b>Team</b>	Health Information Management - Transcription
<b>Initiative</b>	Implement a single vendor transcription service solution by outsourcing transcription at Provident and Oak Forest Hospitals.
<b>Business Case &amp; Benefits</b>	<ol style="list-style-type: none"> <li>1) Significantly improved turn around times.</li> <li>2) Transcribed documents immediately available after transcription to clinicians in the Cerner system.</li> <li>3) Improved physician satisfaction.</li> </ol>
<b>Income or Savings</b>	\$233,375 annual savings
<b>Implementation Next Steps</b>	<ol style="list-style-type: none"> <li>1) Complete discussion with Union.</li> <li>2) Work with IT and M3 Medical transcription company for implementation.</li> </ol>
<b>Potential Barriers to Implementation</b>	Union cooperation
<b>Champion</b>	Michael Ayres



# Initiative for Approval

<b>Team</b>	Health Information Management - Coding
<b>Initiative</b>	Implement departmental credentialing standard requiring that all coders are credentialed.
<b>Business Case &amp; Benefits</b>	Credentialing establishes a minimum knowledge/skill set that is needed for proficient coding. To maintain credentialing, coder are required to complete a specified number of hours of continuing education per year. This will result in improved accuracy rates in coding.
<b>Income or Savings</b>	
<b>Implementation Next Steps</b>	<ol style="list-style-type: none"> <li>1) Complete discussion with Union.</li> <li>2) Non-credentialed coders completing the credentialing course, if elected.</li> <li>3) Non-credentialed coders taking exam to obtain credentials.</li> </ol>
<b>Potential Barriers to Implementation</b>	<p>Funding</p> <p>Union cooperation</p>
<b>Champion</b>	Michael Ayres



Cook County Health and Hospitals System  
Minutes of the Finance Committee Meeting  
October 15, 2009

ATTACHMENT #2

**Cook County Health and Hospitals System**

**Income Statement for the Eight Months Ended**  
**July 31, 2009**

As of September 23, 2009

## **Index**

1. Mission Statement
2. Attestation Statement
3. Management Discussion and Analysis
4. Income Statement
5. Cash Receipts – Actual vs. Budget
6. Statistics
7. Payer Mix
8. Top Ten DRG's for Each Facility
9. Disclosure Checklist

## **COOK COUNTY HEALTH & HOSPITALS SYSTEM**

### **MISSION STATEMENT**

The Cook County Health and Hospitals System will deliver integrated health services with dignity and respect regardless of a patient's ability to pay; and,

Foster partnerships with other health providers and communities to enhance the health of the public; and,

Advocate for policies, which promote and protect the physical, mental and social well being of the people of Cook County.



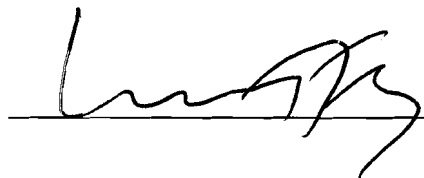
Board of Directors  
Cook County Health and Hospitals System

The accompanying monthly financial statement package of the Cook County Health and Hospitals System, for the eight months ended July 31, 2009 and the related Management's Discussion and Analysis, Income Statement, Cash Receipts, Statistics, Payer Mix, Top Ten DRG's for Each Facility have been prepared by Management who is responsible for their presentation and disclosure. These statements have not been compiled, reviewed or audited by independent accountants.

CCHHS maintains an internal control structure designed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed, recorded and summarized to produce reliable records and reports,

To the best of Management's knowledge and belief the statements and related information were prepared in conformity with generally accepted accounting principles and governmental accounting standards using the modified accrual basis of accounting and are based on recorded transactions and Management's best estimates and judgment.

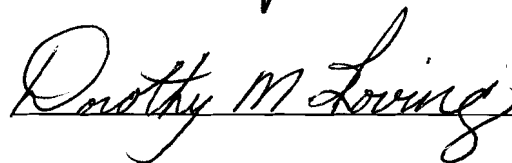
William T. Foley, Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Foley", written over a horizontal line.

Michael D. Ayres, Chief Financial Officer

A handwritten signature in black ink, appearing to read "Michael D. Ayres", written over a horizontal line.

Dorothy M. Loving, Executive Director of Finance

A handwritten signature in black ink, appearing to read "Dorothy M. Loving", written over a horizontal line.

### **Summary**

The Cook County Health and Hospitals System year to date financial results finished the eight month of the fiscal year ahead of budget by \$105,719,403. The overall revenue excess at the end of the eight month was \$94,017,091. Expenses were below budget by \$11,702,313 or 1.7%.

### **Operating Revenue**

Fees at the end of July collected from patient services were below budget year to date by \$9,208,207 or 4.7%. The number of Medicare visits is down this year compared to the same period last year.

Other Revenue at the end of July is below the budget by \$947,636 or 20.0%. Prior year revenues included one time payments which was factored into the 2009 budget.

FMAP and NetDSH are recognized on a accrual basis to Budget.

Total Operating Revenue at the end of July was above budget year to date by \$109,845,987 or 33.5%.

### **Operating Expenses**

Operating Expenses at the end of July were below budget by \$11,702,313 or 1.7%. This favorable expense performance was due to positive variances for Supplies, Purchased Services, and Utilities. Salaries and Employee Benefits were under the budget year to date.

### **Salaries and Wages – \$29,438,247 or 7.8%**

Salaries and wages were below the budget at the end of July due to the FY 2009 Budget not being approved until mid-February which resulted in none of the new budgeted positions being recruited for.

This information is an integral part of the accompanying consolidated financial statements

**Benefits - \$4,163,540 or 7.8%**

The level of Benefit expense is directly related to salary and wage expense. Benefits for employees are below the budget because salaries and wages are also below the budget.

**Supplies – \$2,500,000 or 2.3%**

Each of the System facilities supply expenses are below the budget year to date. The System is using the accrual convention to estimate supply expense based on the budgeted expenditures minus any documented savings to date.

In comparison to the prior year, the estimated YTD July 31, 2008 supply expense of \$90,227,518 (\$59,139,146 as of YTD July '09) was based on actual expense taken from the Comptroller's ledger of actual items paid by the County. During the preparation of the prior year's report, there were no attempts to estimate an accrual for any missing expenses.

**Purchased Services, Rental, and Other - \$2,100,000 or 2.0%**

The year to date level expenses for the System for this category continues to be significantly below the budget. The method used to estimate expense is the same for purchased services as is used for supplies.

Similar to supplies, the prior YTD July 31, 2008 estimated purchase services, rental, and other expense amount of \$79,341,043 (\$51,052,748 as of YTD July '09) was based on expenses taken from the Comptroller's ledgers.

**Utilities - \$2,966,950 or 20.9%**

The estimated System year to date expense for utilities in total is below budget. The accrual convention to estimate this expense is based on total YTD bills, paid and unpaid, received by the Cook County Industrial Engineer responsible for processing the utility bills for the County.

This information is an integral part of the accompanying consolidated financial statements

Similar to supplies, the prior YTD July 31, 2008 estimated utilities expense of \$12,313,774 (\$7,825,234 as of YTD July '09) was also taken from the Comptroller's ledgers.

### **System Expenses per Adjusted Patient Day**

A comparison of year to date expenses per adjusted patient day to the budget is as follows:

<b><u>Institution</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
Stroger	\$4,264	\$4,136	2.99%
Oak Forest	\$4,355	\$3,732	14.31%
Provident	\$4,462	\$4,827	-8.17%

### **Non Operating Revenue**

Non operating revenue at the end of July was below budget by \$15,828,896 or 4.2%. The largest shortfalls from budget are for sales taxes.

Interest Earnings Transfer Out is recognized on an accrual basis to Budget.

Cook County Health and Hospitals System of Illinois  
Preliminary Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis  
For Eight Months Ending July 31, 2008 and 2009 (UNAUDITED)  
**CONSOLIDATED**

	Total for the Eight Months Ending July 31, 2008	Total for the Eight Months Ending July 31, 2009	BUDGET	Difference Favorable (Unfavorable)	Difference as % of Budget
<b><u>Operating revenue</u></b>					
Patient Service Revenue	\$ 168,717,810	\$ 186,072,989	\$ 195,281,196	\$ (9,208,207)	-4.7%
FMAP	n/a	13,461,538	13,461,538	-	0.0%
Inter-Governmental Transfers (IGT)	82,398,959	87,500,000	87,500,000	-	0.0%
NetDSH	n/a	147,001,829	27,000,000	120,001,829	444.5%
Total Patient Service Revenue	251,116,769	434,036,356	323,242,734	110,793,622	34.3%
Other revenue	4,711,710	3,780,080	4,727,716	(947,636)	-20.0%
Total operating revenue	255,828,479	437,816,436	327,970,450	109,845,987	33.5%
<b><u>Operating expenses</u></b>					
Salaries and wages	328,617,655	348,221,009	377,659,256	29,438,247	7.8%
Employee benefits (Excludes Pension Expense)	58,822,560	49,342,917	53,506,457	4,163,540	7.8%
Pension Expense	64,222,159	43,610,503	43,610,503	-	0.0%
Supplies	90,227,518	104,310,797	106,810,797	2,500,000	2.3%
Purchased services, rental & other	79,341,043	105,423,570	107,523,570	2,100,000	2.0%
Depreciation	28,748,716	27,110,198	27,110,197	(0)	0.0%
Utilities	12,313,774	11,260,143	14,227,093	2,966,950	20.9%
Services contributed by other County offices	4,262,311	2,727,289	2,727,288	(1)	0.0%
Less: Unallocated budget reduction for the year of \$44,199,636	n/a	0	(29,466,424)	(29,466,424)	
Total operating expenses	666,555,736	692,006,425	703,708,737	11,702,313	1.7%
Operating Loss	(410,727,257)	(254,189,988)	(375,738,287)	121,548,299	-32.3%
<b><u>Nonoperating revenue (expense)</u></b>					
Property taxes	95,223,191	94,428,575	96,258,750	(1,830,175)	-1.9%
Sales taxes	69,680,156	186,451,740	196,800,000	(10,348,260)	-5.3%
Cigarette taxes	85,802,904	19,644,631	23,333,333	(3,688,703)	-15.8%
Interest Income	96,982	38,241	-	38,241	
Interest Earnings Transfer Out	n/a	11,333,333	11,333,333	-	0.0%
Pension plan contribution	64,222,159	43,610,503	43,610,503	-	0.0%
Services contributed by other County Offices	4,262,311	2,727,289	2,727,288	1	0.0%
Total nonoperating revenue	319,287,703	358,234,311	374,063,207	(15,828,896)	-4.2%
Income (Loss) before other revenue, expenses, gains, losses, and transfers	(91,439,554)	104,044,323	(1,675,080)	105,719,403	6311.3%
Change in net assets	<b>\$ (91,439,554)</b>	<b>\$ 104,044,323</b>	<b>\$ (1,675,080)</b>	<b>\$ 105,719,403</b>	<b>6311.3%</b>

These consolidated financial statements should be read only in connection with the  
accompanying Management Discussion & Analysis

Preliminary Combining Statement of Revenues, Expenses,  
and Changes in Net Assets of Operating Accounts - Modified Accrual Basis  
For Eight Months Ending July 31, 2009 (UNAUDITED)

**COMBINED**

	John H. Stroger, Jr Hospital	Oak Forest Hospital	Provident Hospital	Total
<b><u>Operating revenue</u></b>				
Patient Service Revenue	\$ 141,242,373	\$ 22,474,131	\$ 22,356,485	\$ 186,072,989
FMAP	10,073,269	1,995,000	1,393,269	13,461,538
Inter-Governmental Transfers (IGT)	65,251,915	13,236,945	9,011,140	87,500,000
NetDSH	92,611,152	26,460,329	27,930,347	147,001,829
Total Patient Service Revenue	309,178,709	64,166,405	60,691,242	434,036,356
Other revenue	3,095,448	367,969	316,663.08	3,780,080
Total operating revenue	312,274,158	64,534,374	61,007,905	437,816,436
<b><u>Operating expenses</u></b>				
Salaries and wages	249,681,666	50,823,305	47,716,038	348,221,009
Employee benefits (Excludes Pension Expense)	35,379,892	7,201,662	6,761,363	49,342,917
Pension Expense	31,010,903	6,622,251	5,977,348	43,610,503
Supplies	81,081,538	11,385,984	11,843,274	104,310,797
Purchased services, rental and other	68,655,857	15,071,465	21,696,248	105,423,570
Depreciation	22,357,876	2,709,206	2,043,116	27,110,198
Utilities	7,661,557	2,134,760	1,463,825	11,260,143
Services contributed by other County offices	2,012,056	472,273	242,960	2,727,289
Total operating expenses	497,841,345	96,420,907	97,744,172	692,006,425
Operating Loss	(185,567,188)	(31,886,533)	(36,736,267)	(254,189,988)
<b><u>Nonoperating revenue (expense)</u></b>				
Property taxes	67,786,979	11,609,890	15,031,706	94,428,575
Sales taxes	134,167,613	22,897,655	29,386,472	186,451,740
Cigarette taxes	14,102,701	2,414,581	3,127,348	19,644,631
Interest income	29,288	4,801	4,152	38,241
Interest Earnings Transfer Out	8,125,003	1,376,547	1,831,784	11,333,333
Pension plan contribution	31,010,903	6,622,251	5,977,348	43,610,503
Services contributed by other County offices	2,012,056	472,273	242,960	2,727,289
Total nonoperating revenue	257,234,543	45,397,997	55,601,771	358,234,311
Income (Loss) before other revenue, expenses, gains, losses and transfers	71,667,355	13,511,464	18,865,503	104,044,323
Change in net assets	<b>\$ 71,667,355</b>	<b>\$ 13,511,464</b>	<b>\$ 18,865,503</b>	<b>\$ 104,044,323</b>

These consolidated financial statements should be read only in connection with the accompanying Management Discussion & Analysis

Page 2 of 5

Cook County Health and Hospitals System of Illinois  
Preliminary Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis  
For Eight Months Ending July 31, 2008 and 2009 (UNAUDITED)

**John H. Stroger, Jr., Hospital of Cook County**

	Total for the Eight Months Ending July 31, 2008	Total for the Eight Months Ending July 31, 2009	BUDGET	Difference Favorable (Unfavorable)	Difference as % of Budget
<b><u>Operating revenue</u></b>					
Patient Service Revenue	\$ 125,024,973	\$ 141,242,373	\$ 146,574,868	\$ (5,332,495)	-3.6%
FMAP	n/a	10,073,269	10,073,269	-	0.0%
Inter-Governmental Transfers (IGT)	58,153,098	65,251,915	65,251,915	-	0.0%
NetDSH	n/a	92,611,152	20,204,100	72,407,052	358.4%
Total Patient Service Revenue	183,178,071	309,178,709	242,104,152	67,074,558	27.7%
Other revenue	4,176,784	3,095,448	4,018,179	(922,730)	-23.0%
Total operating revenue	187,354,855	312,274,158	246,122,330	66,151,827	26.9%
<b><u>Operating expenses</u></b>					
Salaries and wages	238,015,591	249,681,666	268,550,495	18,868,829	7.0%
Employee benefits (Excludes Pension Expense)	42,604,791	35,379,892	38,047,797	2,667,905	7.0%
Pension Expense	46,139,510	31,010,903	31,010,903	-	0.0%
Supplies	72,382,876	81,081,538	83,024,806	1,943,268	2.3%
Purchased services, rental and other	53,840,854	68,655,857	70,023,457	1,367,600	2.0%
Depreciation*	22,996,189	22,357,876	22,357,876	(0)	0.0%
Utilities	8,389,763	7,661,557	10,253,745	2,592,188	25.3%
Services contributed by other County offices	2,013,046	2,012,056	2,012,055	(0)	0.0%
Total operating expenses	486,382,620	497,841,345	525,281,136	27,439,791	5.2%
Operating Loss	(299,027,765)	(185,567,188)	(279,158,806)	93,591,618	-33.5%
<b><u>Nonoperating revenue (expense)</u></b>					
Property taxes	68,562,107	67,786,979	69,009,053	(1,222,073)	-1.8%
Sales taxes	50,170,713	134,167,613	141,614,051	(7,446,438)	-5.3%
Cigarette taxes	61,779,323	14,102,701	16,727,947	(2,625,246)	-15.7%
Interest income	69,801	29,288	-	29,288	
Interest Earnings Transfer Out	n/a	8,125,003	8,125,003		
Pension plan contribution	46,139,510	31,010,903	31,010,903	-	0.0%
Services contributed by other County Offices	2,013,046	2,012,056	2,012,055	0	0.0%
Total nonoperating revenue	228,734,500	257,234,543	268,499,012	(11,264,469)	-4.2%
Income (Loss) before other revenue, expenses, gains, losses, and transfers	(70,293,265)	71,667,355	(10,659,794)	82,327,149	772.3%
Change in net assets	<b>\$ (70,293,265)</b>	<b>\$ 71,667,355</b>	<b>\$ (10,659,794)</b>	<b>\$ 82,327,149</b>	<b>772.3%</b>

These consolidated financial statements should be read only in connection with the accompanying Management Discussion & Analysis

Cook County Health and Hospitals System of Illinois  
Preliminary Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis  
For Eight Months Ending July 31, 2008 and 2009 (UNAUDITED)

**Oak Forest Hospital of Cook County**

	Total for the Eight Months Ending July 31, 2008	Total for the Eight Months Ending July 31, 2009	BUDGET	Difference Favorable (Unfavorable)	Difference as % of Budget
<b><u>Operating revenue</u></b>					
Patient Service Revenue	\$ 22,987,582	\$ 22,474,131	\$ 24,663,536	\$ (2,189,405)	-8.9%
FMAP	n/a	1,995,000	1,995,000	-	0.0%
Inter-Governmental Transfers (IGT)	13,380,582	13,236,945	13,236,945	-	0.0%
NetDSH	n/a	26,460,329	4,001,400	22,458,929	561.3%
Total Patient Service Revenue	36,368,164	64,166,405	43,896,881	20,269,524	46.2%
Other revenue	290,210	367,969	352,585	15,384	4.4%
Total operating revenue	36,658,374	64,534,374	44,249,466	20,284,908	45.8%
<b><u>Operating expenses</u></b>					
Salaries and wages	46,477,507	50,823,305	57,346,462	6,523,157	11.4%
Employee benefits (Excludes Pension Expense)	8,319,473	7,201,662	8,124,951	923,289	11.4%
Pension Expense	9,644,886	6,622,251	6,622,251	-	0.0%
Supplies	8,761,048	11,385,984	11,658,870	272,886	2.3%
Purchased services, rental and other	10,701,351	15,071,465	15,371,683	300,218	2.0%
Depreciation	3,297,656	2,709,206	2,709,205	(0)	0.0%
Utilities	2,341,565	2,134,760	2,398,501	263,741	11.0%
Services contributed by other County offices	397,234	472,273	472,273	-	0.0%
Total operating expenses	89,940,720	96,420,907	104,704,198	8,283,291	7.9%
Operating Loss	(53,282,346)	(31,886,533)	(60,454,732)	28,568,199	-47.3%
<b><u>Nonoperating revenue (expense)</u></b>					
Property taxes	11,599,270	11,609,890	11,691,588	(81,698)	-0.7%
Sales taxes	8,487,840	22,897,655	24,168,498	(1,270,843)	-5.3%
Cigarette taxes	10,451,775	2,414,581	2,834,067	(419,485)	-14.8%
Interest income	14,812	4,801	-	4,801	
Interest Earnings Transfer Out	n/a	1,376,547	1,376,547	-	0.0%
Pension plan contribution	9,644,886	6,622,251	6,622,251	-	0.0%
Services contributed by other County Offices	397,234	472,273	472,273	-	0.0%
Total nonoperating revenue	40,595,817	45,397,997	47,165,223	(1,767,226)	-3.7%
Income (Loss) before other revenue, expenses, gains, losses, and transfers	(12,686,529)	13,511,464	(13,289,508)	26,800,973	201.7%
Change in net assets	<b>\$ (12,686,529)</b>	<b>\$ 13,511,464</b>	<b>\$ (13,289,508)</b>	<b>\$ 26,800,973</b>	<b>201.7%</b>

These consolidated financial statements should be read only in connection with the  
accompanying Management Discussion & Analysis



Cook County Health and Hospitals System of Illinois  
Preliminary Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis  
For Eight Months Ending July 31, 2008 and 2009 (UNAUDITED)

**Provident Hospital of Cook County**

	<b>Total for the Eight Months Ending July 31, 2008</b>	<b>Total for the Eight Months Ending July 31, 2009</b>	<b>BUDGET</b>	<b>Difference Favorable (Unfavorable)</b>	<b>Difference as % of Budget</b>
<b><u>Operating revenue</u></b>					
Patient Service Revenue	\$ 20,705,255	\$ 22,356,485	\$ 24,042,792	\$ (1,686,307)	-7.0%
FMAP	n/a	1,393,269	1,393,269	-	0.0%
Inter-Governmental Transfers (IGT)	10,865,279	9,011,140	9,011,140	-	0.0%
NetDSH	n/a	27,930,347	2,794,500	25,135,847	899.5%
Total Patient Service Revenue	31,570,534	60,691,242	37,241,701	23,449,541	63.0%
Other revenue	244,716	316,663	356,953	(40,290)	-11.3%
Total operating revenue	31,815,250	61,007,905	37,598,654	23,409,251	62.3%
<b><u>Operating expenses</u></b>					
Salaries and wages	44,124,557	47,716,038	51,762,299	4,046,261	7.8%
Employee benefits (Excludes Pension Expense)	7,898,296	6,761,363	7,333,709	572,346	7.8%
Pension Expense	8,437,763	5,977,348	5,977,348	-	0.0%
Supplies	9,083,594	11,843,274	12,127,120	283,846	2.3%
Purchased services, rental and other	14,798,838	21,696,248	22,128,429	432,182	2.0%
Depreciation	2,454,871	2,043,116	2,043,116	(0)	0.0%
Utilities	1,582,446	1,463,825	1,574,847	111,021	7.0%
Services contributed by other County offices	1,852,031	242,960	242,960	(0)	0.0%
Total operating expenses	90,232,396	97,744,172	103,189,828	5,445,655	5.3%
Operating Loss	(58,417,146)	(36,736,267)	(65,591,174)	28,854,907	-44.0%
<b><u>Nonoperating revenue (expense)</u></b>					
Property taxes	15,061,814	15,031,706	15,558,109	(526,403)	-3.4%
Sales taxes	11,021,603	29,386,472	31,017,451	(1,630,979)	-5.3%
Cigarette taxes	13,571,806	3,127,348	3,771,320	(643,972)	-17.1%
Interest income	12,369	4,152	-	4,152	
Interest Earnings Transfer Out	n/a	1,831,784	1,831,784	-	0.0%
Pension plan contribution	8,437,763	5,977,348	5,977,348	-	0.0%
Services contributed by other County Offices	1,852,031	242,960	242,960	0	0.0%
Total nonoperating revenue	49,957,386	55,601,771	58,398,972	(2,797,201)	-4.8%
Income (Loss) before other revenue, expenses, gains, losses, and transfers	(8,459,760)	18,865,503	(7,192,202)	26,057,706	362.3%
Change in net assets	<b>\$ (8,459,760)</b>	<b>\$ 18,865,503</b>	<b>\$ (7,192,202)</b>	<b>\$ 26,057,706</b>	<b>362.3%</b>

These consolidated financial statements should be read only in connection with the  
accompanying Management Discussion & Analysis

Page 5 of 5

**Year-To-Date Cash Receipts  
Actual to Budget Comparison by Payer Type**

**John H. Stroger, Jr., Hospital of Cook County  
July-2009**

Payer Type	Actual	Budget	Variance
Medicaid	\$ 103,553,950	\$ 111,091,003	\$ (7,537,053)
Medicare	27,552,830	29,266,623	(1,713,793)
Third Party	7,809,790	4,787,276	3,022,514
Self-Pay	2,325,804	1,429,966	895,838
Totals	<u>\$ 141,242,374</u>	<u>\$ 146,574,869</u>	<u>\$ (5,332,495)</u>

**Provident Hospital of Cook County  
July-2009**

Payer Type	Actual	Budget	Variance
Medicaid	\$ 14,386,558	\$ 15,361,096	\$ (974,538)
Medicare	6,117,906	6,802,153	(684,247)
Third Party	1,754,591	1,766,814	(12,223)
Self-Pay	97,429	112,728	(15,299)
Totals	<u>\$ 22,356,484</u>	<u>\$ 24,042,792</u>	<u>\$ (1,686,308)</u>

**Oak Forest Hospital of Cook County  
July-2009**

Payer Type	Actual	Budget	Variance
Medicaid	\$ 18,833,853	\$ 21,998,550	\$ (3,164,697)
Medicare	3,036,601	2,154,100	882,501
Third Party	497,916	342,418	155,498
Self-Pay	105,760	168,471	(62,711)
Totals	<u>\$ 22,474,130</u>	<u>\$ 24,663,539</u>	<u>\$ (2,189,409)</u>

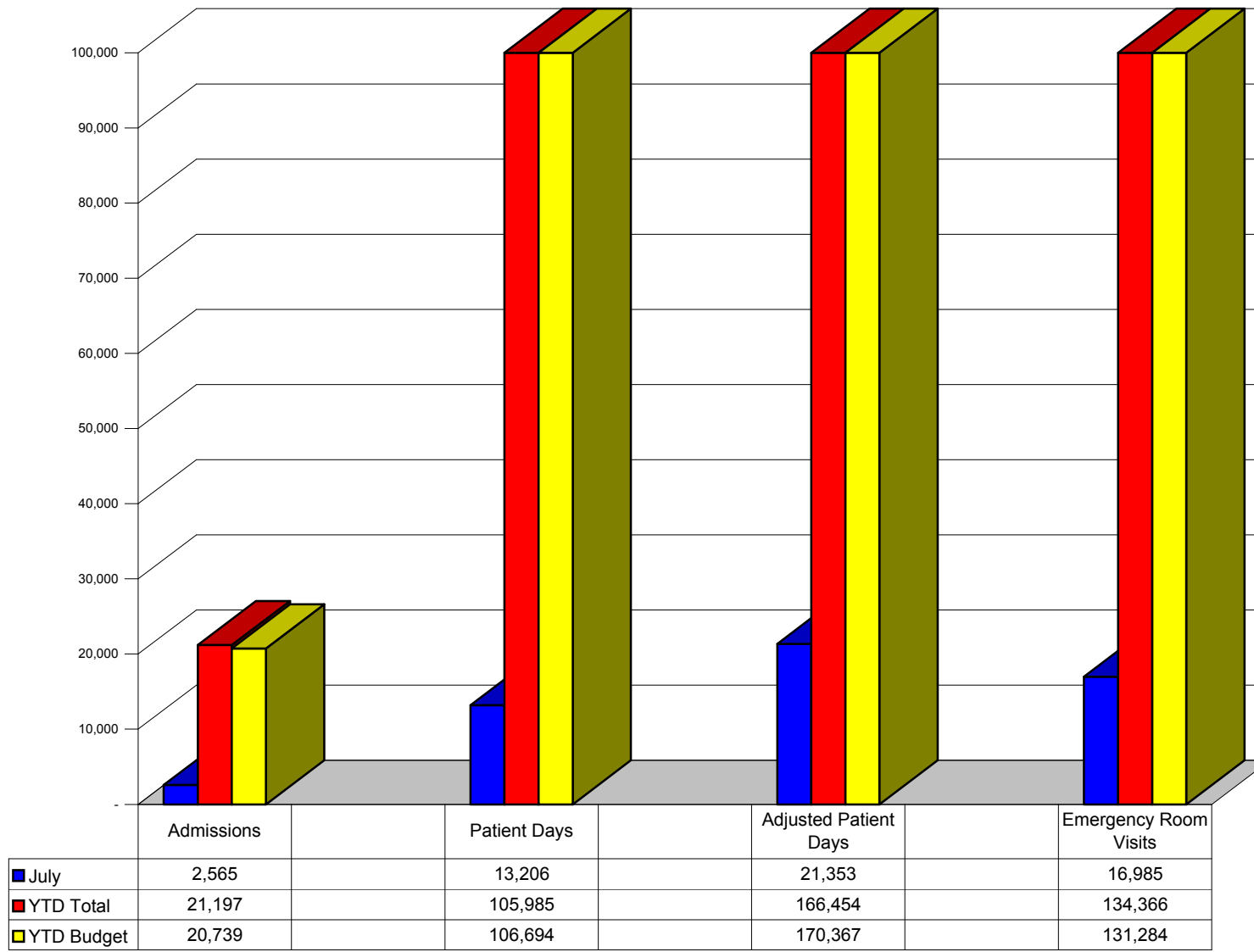
**CCHHS Totals  
July-2009**

Payer Type	Actual	Budget	Difference
Medicaid	\$ 136,774,362	\$ 148,450,649	\$ (11,676,287)
Medicare	36,707,337	38,222,877	(1,515,540)
Third Party	10,062,297	6,896,508	3,165,789
Self-Pay	2,528,993	1,711,165	817,828
Totals	<u>\$ 186,072,989</u>	<u>\$ 195,281,199</u>	<u>\$ (9,208,210)</u>

The data reflected in this report comes from the Comptroller's ledger.  
(Revised 10/14/09)

Cook County Health and Hospitals System  
Utilization Factors YTD July 2009

**System Hospitals Combined**



Cook County Health Hospital System  
Utilization Factors YTD July 2009

ACHN - Clinics



	Fantus/Stroger Campus	West Cluster	South Cluster	South Suburban Cluster	Total ACHN Visits
July	36,975	6,483	5,689	4,613	53,760
YTD Total	268,928	53,022	45,661	31,324	398,935
YTD Budget	260,654	50,302	43,300	25,693	379,949

**Cook County Health & Hospitals System  
Utilization Factors**

	<b>2009 July</b>	<b>YTD Total</b>	<b>YTD Budget</b>	<b>YTD Variance</b>	<b>%% Variance</b>
<b><u>J.H. Stroger Hospital</u></b>					
Admissions	2,002	15,829	15,435	394	2.6%
Patient days	9,976	77,458	77,081	377	0.5%
Adjusted Patient Days	16,216	120,369	123,202	(2,833)	-2.3%
Emergency Room Visits	10,859	87,290	85,381	1,909	2.2%
Case Mix Index	1.2846				
Average Length of Stay	5.0		5.0	-	0.0%

<b><u>Provident Hospital</u></b>					
Admissions	338	3,279	3,446	(167)	-4.8%
Patient days	1,254	13,034	13,820	(786)	-5.7%
Adjusted Patient Days	1,996	20,251	23,125	(2,874)	-12.4%
Emergency Room Visits	3,356	26,072	26,803	(731)	-2.7%
Case Mix Index	0.8877				
Average Length of Stay	3.7		4.0	0.3	7.5%

<b><u>Oak Forest Hospital</u></b>					
Admissions	225	2,089	1,858	231	12.4%
Patient days	1,976	15,493	15,793	(300)	-1.9%
Adjusted Patient Days	3,141	25,834	24,040	1,794	7.5%
Emergency Room Visits	2,770	21,004	19,100	1,904	10.0%
Case Mix Index	0.9223				
Average Length of Stay - Acute	4.4		6.9	2.5	36.2%
Average Length of Stay - Rehab	21.5		15.2	(6.3)	-41.4%

<b><u>Total System</u></b>					
Admissions	2,565	21,197	20,739	458	2.2%
Patient Days	13,206	105,985	106,694	(709)	-0.7%
Adjusted Patient Days	21,353	166,454	170,367	(3,913)	-2.3%
Emergency Room Visits	16,985	134,366	131,284	3,082	2.3%

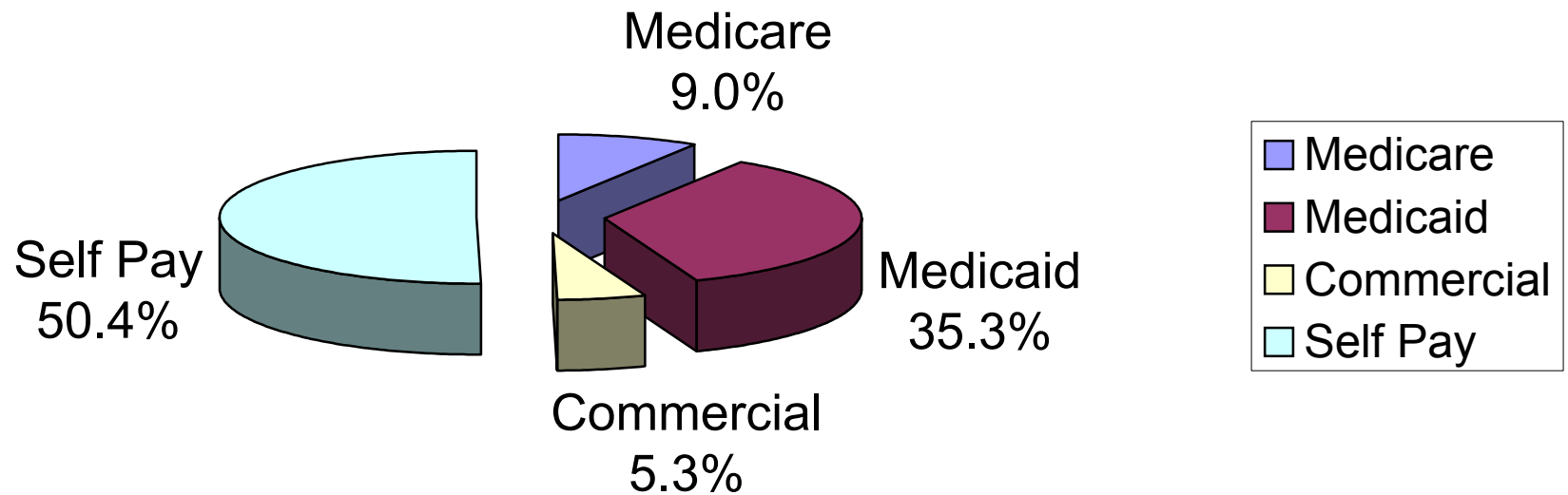
**Cook County Health & Hospitals System  
ACHN - Clinics**

<b>Fantus/Stroger Campus</b>	36,975	268,928	260,654	8,274	3.2%
<b>West Cluster</b>	6,483	53,022	50,302	2,720	5.4%
<b>South Cluster</b>	5,689	45,661	43,300	2,361	5.5%
<b>South Suburban Cluster</b>	4,613	31,324	25,693	5,631	21.9%
<b>Total ACHN Visits</b>	53,760	398,935	379,949	18,986	5.0%

The Morton East Clinic, a school based clinic normally reported in the West Cluster, has no visits for July-2009 since school is not in session.

# July 2009 YTD

## Payer Mix Comparison Cook County Health & Hospitals System Combined IP/OP



Prior Year Payer Mix Comparison

Payer Type	July-09	July-08	Difference
Medicare	9.0%	10.8%	-1.8%
Medicaid	35.3%	27.4%	7.9%
Commercial	5.3%	4.7%	0.6%
Self-Pay	50.4%	57.1%	-6.7%

**Cook County Health and Hospitals System**  
**Top 10 DRG's-Jul-09**

**John H. Stroger, Jr. Hospital of Cook County**

Rank	DRG and Description	Total Patients	Total Days	Avg LOS	Case Mix	MEDICARE Geometric Avg LOS
1	392 ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS W	61	200	3.28	0.6703	2.8
2	313 CHEST PAIN	37	66	1.78	0.5314	1.7
3	603 CELLULITIS W/O MCC	37	130	3.51	0.8027	3.9
4	775 VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES	37	96	2.59	0.4800	2.0
5	812 RED BLOOD CELL DISORDERS W/O MCC	34	90	2.65	0.7630	2.8
6	897 ALCOHOL/DRUG ABUSE OR DEPENDENCE W/O REHABILITATION THERAPY W	34	105	3.09	0.6198	3.3
7	690 KIDNEY & URINARY TRACT INFECTIONS W/O MCC	28	85	3.04	0.7581	3.5
8	743 UTERINE & ADNEXA PROC FOR NON-MALIGNANCY W/O CC	28	75	2.68	0.8437	2.0
9	293 HEART FAILURE & SHOCK W/O CC/MCC	24	82	3.42	0.7220	3.1
10	312 SYNCOPE & COLLAPSE	23	54	2.35	0.7097	2.5

**Provident Hospital of Cook County**

Rank	DRG and Description	Total Patients	Total Days	Avg LOS	Case Mix	MEDICARE Geometric Avg LOS
1	313 CHEST PAIN	29	65	2.24	0.5314	1.7
2	293 HEART FAILURE & SHOCK W/O CC/MCC	21	67	3.19	0.7220	3.1
3	292 HEART FAILURE & SHOCK W CC	19	89	4.68	1.0069	4.1
4	775 VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES	15	35	2.33	0.4800	2.0
5	639 DIABETES W/O CC/MCC	14	50	3.57	0.5598	2.5
6	774 VAGINAL DELIVERY W COMPLICATING DIAGNOSES	10	27	2.70	0.6511	2.6
7	603 CELLULITIS W/O MCC	9	40	4.44	0.8027	3.9
8	312 SYNCOPE & COLLAPSE	8	29	3.63	0.7097	2.5
9	392 ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS W/O MCC	8	15	1.88	0.6703	2.8
10	743 UTERINE & ADNEXA PROC FOR NON-MALIGNANCY W/O CC/MCC	8	24	3.00	0.8437	2.0

**Oak Forest Hospital of Cook County**

Rank	DRG and Description	Total Patients	Total Days	Avg LOS	Case Mix	MEDICARE Geometric Avg LOS
1	313 CHEST PAIN	28	81	2.89	0.5314	1.7
2	293 HEART FAILURE & SHOCK W/O CC/MCC	14	46	3.29	0.7220	3.1
3	392 ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS W	10	27	2.70	0.6703	2.8
4	603 CELLULITIS W/O MCC	10	43	4.30	0.8027	3.9
5	203 BRONCHITIS & ASTHMA W/O CC/MCC	7	29	4.14	0.5956	2.8
6	310 CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS W/O CC	7	19	2.71	0.5843	2.3
7	192 CHRONIC OBSTRUCTIVE PULMONARY DISEASE W/O CC/MCC	6	18	3.00	0.7254	3.3
8	639 DIABETES W/O CC/MCC	6	15	2.50	0.5598	2.5
9	812 RED BLOOD CELL DISORDERS W/O MCC	6	12	2.00	0.7630	2.8
10	195 SIMPLE PNEUMONIA & PLEURISY W/O CC/MCC	5	24	4.80	0.7316	3.5

**OBJECTIVE:**

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

**FINANCIAL STATEMENT DISCLOSURE CHECKLIST**

The object of this checklist is to help determine if the form and contents of the financial statements are in conformity with the accounting standards applicable to financial statement basis of accounting.

**DISCLOSURE PRINCIPLES:**

Note: Management can comply with a disclosure principle by making disclosure in body of financial statements or in the notes accompanying the financial statements. In a compilation engagement, management's election to omit substantially all disclosures applies to all disclosure principles in GAAP financial statements.

**FINANCIAL STATEMENT REFERENCES:**

1. Do the financial statements reference footnotes (MD&A) or selected information?

Yes, N/A, No?	If no, state reason (immaterial, estimated, etc.)
---------------	--

Yes	
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**GENERAL DISCLOSURES:****A. Estimates:**

1. General disclosure about use of estimates (MD&A)?  
2. Disclosure of possible changes in estimates?

Yes	
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Yes	
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**B. Vulnerabilities do to concentrations in following areas disclosed?:**

1. Customers?  
2. Suppliers?  
3. Lenders?  
4. Products?  
5. Supply of materials, labor or supplies?  
6. Location of assets in geographic area?

Yes	
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Yes	
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Yes	
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Yes	
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Yes	
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Yes	
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**C. Related parties (FASB 57):**

1. Known common control and economic dependency disclosure?  
2. Known transactions with related parties disclosed?

Yes	
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Yes	
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**OTHER DISCLOSURE AREAS TO BE CONSIDERED:**

1. Method of consolidations?  
2. Accounting changes including changes in GAAP and in estimates?  
3. Business combinations?  
4. Discontinues operations?  
5. Going concern?

Yes	
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Yes	
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Yes	
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Yes	
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Yes	
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**COMMENTS:**

Completed by

Reviewed by

Date

Date



Cook County Health and Hospitals System  
Minutes of the Finance Committee Meeting  
October 15, 2009

ATTACHMENT #3

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

**Item V(A)**

**OCTOBER 15, 2009 FINANCE COMMITTEE - CONTRACTS AND PROCUREMENT ITEMS**

<b>Request #</b>	<b>Vendor</b>	<b>Service or Product</b>	<b>Fiscal Impact</b>	<b>Affiliate / System</b>	<b>Begins on Page #</b>
<b>Proposed Change Orders</b>					
1	National Roofing Corporation	For the Countywide Roof Replacement Project - Phase IV, Package 1 at the Criminal Courts Administration Building, Fantus Clinic and the Oak Forest Hospital Power House.	\$10,107.35		2
2	Nia Architects, Inc.	For the Architectural/Engineering Services Interior Renovation and Build-outs at Oak Forest and Stroger Hospitals Project	\$10,000.00		3

## COOK COUNTY HEALTH AND HOSPITALS SYSTEM

PROPOSED CHANGE ORDER**APPROVED**

NOV 05 2009

BY BOARD OF  
DIRECTORS OF THE COOK COUNTY  
HEALTH AND HOSPITALS SYSTEM

**Date:** September 28, 2009

**Sponsor:** Bruce Washington  
Director

**Operating Unit:** Cook County Office of Capital Planning and Policy

**Description Of Request:**

Requesting approval of Change Order No. 1 in the amount of \$10,107.35 to the contract with National Roofing Corporation, Forest Park, Illinois, for the Countywide Roof Replacement Project - Phase IV, Package 1 at the Criminal Courts Administration Building, Fantus Clinic and the Oak Forest Hospital Power House. No extension of time is requested.

**Justification:**

This change order provides for the installation of an additional two inches of polyisocyanurate insulation on the roof of the Oak Forest Hospital Powerhouse as required to be in compliance with the new 2009 International Energy Conservation Code for projects of this type (Contract No. 08-53-338 Rebid).

**Current Cost And Terms:**

Estimated fiscal impact: \$10,107.35

Original Contract Sum:	\$636,900.00
Total Changes to date:	0.00
Amount of this modification:	<u>10,107.35</u>
Adjusted Contract Sum:	\$647,007.35

**Budget**

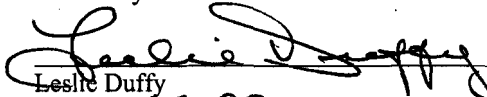
**Information:** Bond Issue 20000

**Signatures:**


Sponsor:

 10/6/09  
Bruce Washington, Director, Cook County Office of Capital Planning and Policy

CCHHS Director  
Of Purchasing:

  
Leslie Duffy

CCHHS CFO:

  
Michael Ayres

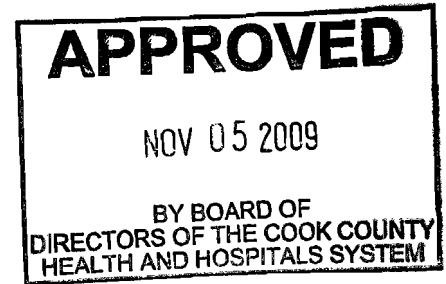
CCHHS COO:

  
Anthony Tedeschi, MD, MPH, MBA

**Request #****1**

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

**PROPOSED CHANGE ORDER**  
**AS AMENDED**



**Date:** September 28, 2009

**Sponsor:** Bruce Washington  
Director

**Operating Unit:** Cook County Office of Capital Planning & Policy

**Description Of Request:** Requesting approval of Change Order No. 1 in the amount of \$10,000 to the contract with Nia Architects, Inc., Chicago, Illinois, for the Architectural/Engineering Services Interior Renovation and Build-Out's at Oak Forest and Stroger Hospitals project. No extension of time is requested.

**Justification:** Per the user's request, this change order provides for additional services necessary for architectural and engineering hours to relocate the Opti-Fill Pharmacy from the first to the second floor at Building F at Oak Forest Hospital.

**Current Cost And Terms:** Estimated  
~~Earned~~ fiscal impact: \$10,000

Original Contract Sum:	\$200,000.00
Total Changes to date:	0.00
Amount of this modification:	<u>10,000.00</u>
Adjusted Contract Sum:	\$210,000.00

**Budget Information:**

Bond Issue 28000

**Signatures:**

Sponsor: Bruce Washington, Director, Cook County Office of Capital Planning & Policy

CCHHS Director  
Of Purchasing:

CCHHS CFO:

CCHHS COO:

Request #

2